

Message Text

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21

ACTION NEA-16

INFO OCT-01 ISO-00 EB-11 COME-00 DRC-01 RSC-01 /030 W

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R 180700Z AUG 74

FM AMEMBASSY ABU DHABI

TGUSECSTATE WASHDC 1938

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E.O. 11652: N/A

TAGS: BEXP, ENRG, TC

SUBJECT: GE POSITION IN ABU DHABI

REF: A. STATE 173308; B. ABU DHABI 1054

1. AS RESULT VISIT OF HIGH RANKING OFFICIALS FROM US (REF A), GENERAL ELECTRIC (GE) HAS SIGNIFICANTLY IMPROVED ITS POSITION IN ABU DHABI. GE DID LOSE CONTRACT ON TWO GAS TURBINES IN ABU DHABI TO JOHN BROWNE, BUT WAS AWARDED THIRD UNIT WHICH IS TO BE LOCATED IN AL AIN. GE'S SUCCESS IN GETTING ONE UNIT APPARENTLY DIRECTLY ATTRIBUTABLE TO FIRM'S RAPID RESPONSE TO SITUATION OUTLINED REF B. IN FACT, SHAIKH SUROOR, CHAIRMAN ABU DHABI DEPARTMENT WATER AND ELECTRICITY (DWE), HAD ORDERED CONTRACT PREPARED AWARDED ALL THREE TURBINES TO JOHN BORWNE AND ONLY AT LAST MINUTE ON LEARNING SENIOR OFFICIALS COMING FROM US DID HE GIVE GE FURTHER CHANCE ON AL AIN TURBINE.

2. IN MORE GENERAL TERMS, GE VICE PRESIDENT STEELE WAS EXTREMELY EFFECTIVE IN RESTORING COMPANY'S IMAGE WITH SHAIKH SUROOR. STEELE ACCOMPANED BY CHARGE CALLED ON SUROOR AUGUST 14 AND FRANKLY ADMITTED THAT SUROOR HAD RIGHT TO HAVE EXPECTED MORE FROM GE. STEELE SOUGHT TO OFFER NO EXCUSES FOR PAST FAILURES UNLIKE SOME HIS SUBORDINATES WHO HAVE NOT YET APPRECIATED SUROOR'S LACK OF INTEREST IN SUCH EXPLANATIONS). INSTEAD STEELE CONCENTRATED ON MAKING POINT THAT HE WAS IN ABU DHABI TO SEE THAT MISTAKES OF PAST WERE NOT REPEATED. HE ASSURED SUROOR THAT SECOND ABU DHABI

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TURBINE WOULD BE IN OPERATION BY AUGUST 20 AND THAT THIRD UNIT

RUNDER PRESENT CONTRACT WOULD BE ON LINE ON SCHEDULE IN NOVEMBER. GE WOULD LIKEWISE MEET COMMITMENTS UNDER ANY NEW CONTRACTS. THIS DIRECT NO-NONSENSE APPROACH HIT JUST RIGHT NOTE WITH SUROOR (WHOSE EGO ALSO BOOSTED BY PRESENCE HIGH-LEVEL GE EXECUTIVE FROM US) AND MEETING ENDED IN EXTREMELY FRIENDLY FASHION WITH SUROOR INVITING STEELE VISIT ABU DHABI AGAIN WHEN WEATHER BETTER AND PURPOSE UNRELATED TO DIFFICULTIES BETWEEN DWE AND GE.

3. COMMENT: GE'S RAPID AND EFFECTIVE RESPONSE TO SUROOR'S COMPLAINT CLEARLY SERVED NOT ONLY GE'S OWN INTEREST, BUT WAS ALSO GOOD FOR US BUSINESS AS WHOLE (CHARGE EXPRESSED APPRECIATION TO STEELE FOR THIS ASSIST). GE MUST, OF COURSE, NOW LIVE UP TO STEELE'S COMMITMENTS OR ELSE FIRM WILL AGAIN BE IN DIFFICULTY. STEELE FULLY APPRECIATES THIS SITUATION, HOWEVER, AND IS LIKEWISE AWARE THAT AMBASSADOR, IN OPENING WAY FOR GE HAVE ANOTHER CHANCE, COMMITTED EMBASSY (PARA 3 REF B) TO WEIGH IN WITH FIRM IF THERE ANY FUTURE DOUBTS RE GE PERFORMANCE. WE EXPECT THEREFORE THAT GE WILL ENSURE QUALITY PERFORMANCE FROM HERE ON OUT.
PEALE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, ELECTRIC EQUIPMENT, ELECTRIC GENERATORS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ABUDH01104
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740227-0449
From: ABU DHABI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740838/aaaabgpw.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STATE 173308; B. ABU DHABI 1054
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by boyleja>; APPROVED <03 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GE POSITION IN ABU DHABI
TAGS: BEXP, ENRG, TC
To: n/a
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005